

**PROPOSITION 101**  
**HOUSE CONCURRENT RESOLUTION 2056**  
**local government levy limits; rebase**

**ANALYSIS BY LEGISLATIVE COUNCIL**

The Arizona Constitution limits the amount of primary property tax that a county, city, town or community college district may levy. Each taxing entity's limit was established in 1980, and that limit has increased by 2% each year, plus any new construction. Counties, cities, towns and community college districts not at their levy limit may increase primary property taxes to the maximum levy limit without voter approval.

Proposition 101, known as the "2006 Taxpayer Protection Act", would amend the Arizona Constitution to remove unused taxing capacity and reset each taxing entity's limit to the actual tax levy of that county, city, town or community college district in 2005. Beginning in 2007, the new levy limit would increase by 2% per year, plus any new construction.